

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Extended Study Session

February 24, 2003  
6:00 p.m.

Council Conference Room  
Bellevue, Washington

PRESENT: Mayor Marshall, Deputy Mayor Degginger, and Councilmembers Creighton, Davidson, Lee, and Mosher

ABSENT: Councilmember Noble

1. Executive Session

The meeting was called to order at 6:01 p.m. by Mayor Marshall, who presided. There was no Executive Session.

2. Oral Communications

- (a) Gerry Gertschitz, Customer Relations Manager for Eastside Chrysler/Jeep, described an upcoming sale to be coordinated between all eight auto dealers on 116<sup>th</sup> Avenue (Auto Row) in mid-March. The auto dealers are requesting exemptions from the City's sign code ordinance to utilize signs at I-405 off-ramps, balloons, spotlights, and banners as well as an exemption to allow parking in spaces designated as loading zones in front of the dealerships for two days. Mr. Gertschitz noted that auto dealers are spending approximately \$122,000 to advertise this event.

Mayor Marshall asked the City Manager to research the feasibility of this request.

3. Study Session

- (a) Council New Initiatives

No new initiatives were discussed.

- (b) Special Election for Consideration of Charter Form of Government

City Manager Steve Sarkozy asked staff to provide a briefing on the process initiated by a petition to move to a charter form of government.

Myrna Basich, Assistant City Manager and City Clerk, provided a brief history on the charter process to date. Petitions seeking consideration to move to a charter form of government were submitted to the City on November 4, 2002. These were forwarded to King County and certification of the petition was received from King County Elections Office on December 5. A discussion about the charter process was held with Council on January 6, 2003, and Council selected May 20 as the date for a special election on the charter issue.

Ms. Basich requested Council direction tonight on three issues:

- Approval of the draft ballot title language,
- The election format, and
- Whether to provide a Voters Pamphlet.

Two elections are required. The May 20 election will present two questions to voters: 1) Should a Charter Commission be created to study and draft a charter for consideration by the voters at a subsequent election? and 2) If the answer to the first question is yes, citizens will be asked to vote for 15 freeholders who will function as the Charter Commission to study and write the charter.

Ms. Basich explained that freeholder candidates must:

- be residents for two years prior to the election,
- be nominated by a petition signed by 10 registered voters,
- provide an affidavit assuring the petition signers and candidate are registered voters,
- provide written acceptance of the nomination, and
- file within a special filing period established for freeholder election.

Ms. Basich reviewed the Charter Commission process to occur if voters approve the issues presented in the first election. The Commission will have 10 days to organize and hold its first meeting and 180 days from the date of the first meeting to draft a charter. The Commission will elect a chair and adopt operating rules. It will function under the Open Public Meetings Act and Public Disclosure Act which require public notice of all meetings, the preparation of minutes, and public access to all related documents. The Charter Commission must hold at least one public hearing and may sponsor public forums or promote public education in other ways. Charter Commission members serve without compensation but must be reimbursed for necessary expenses. Council may choose to make a reasonable appropriation of City funds to provide for public information activities, public hearing costs, and technical and/or clerical assistance to the Commission.

The date of the second election will be determined by the date the charter is submitted to City Council. The second election will present two questions for voters: 1) Whether to adopt the charter drafted by the Charter Commission, and 2) If the answer to the first question is yes, the election of officers as defined in the Charter.

Ms. Basich said spring 2003 election costs are estimated by King County at \$133,000 to \$183,000. She requested Council direction regarding the election format – a traditional election

with polling locations and absentee ballots or a mailed ballot election only. The estimated cost for an election by mail is higher at \$166,000 to \$183,000. A placeholder of \$115,000 was established in the 2003 operating budget, which will cover a portion of the election costs.

Ms. Basich said costs to produce a voters pamphlet are estimated at \$13,300 to \$15,500 for publication and \$11,500 for mailing. Public notice costs will be incurred to advertise the special filing period for freeholder positions. An additional requirement is that the entire charter be published four times in the newspaper, once each week for the four weeks preceding the election. Costs for publication of the charter are estimated at \$17,100 for the King County Journal and \$33,600 for the Seattle Times. Ms. Basich noted that publication in the Seattle Times is optional. Costs for the second election will depend on when the election occurs and whether it coincides with a primary or general election or a special election is required.

City Attorney Richard Andrews noted the draft ballot title provided in Council's desk packet which contains three parts: 1) identification of City Council as the sponsoring legislative body, 2) a 10-word description of the subject matter, and 3) a description of less than 75 words followed by the option to vote "yes" or "no." He requested Council direction regarding the ballot title.

Mr. Mosher noted prior claims that the charter election process will not cost the City any money. He feels the election costs are somewhat significant and expressed concern about this misinformation.

- ➡ Deputy Mayor Degginger moved to approve the charter ballot title language as drafted, and Mr. Mosher seconded the motion.
- ➡ The motion to approve the charter ballot title language carried by a vote of 6-0.

Ms. Basich requested Council direction regarding the election format. Dr. Davidson commented he would have expected the mail-only election costs to be lower than a traditional election. Ms. Basich said the costs include postal costs as well as manual processing and signature verification of the ballots. Dr. Davidson expressed concern about the costs but feels citizens will be more likely to vote in a mailed election. Mr. Mosher expressed support for an election by mail because he wants to encourage broad community involvement. Mr. Degginger concurred.

- ➡ Deputy Mayor Degginger moved to proceed with a special election on the charter issue by mail, and Mr. Mosher seconded the motion.
- ➡ The motion to proceed with a special election on the charter issue by mail carried by a vote of 6-0.

Ms. Basich requested Council direction regarding whether to publish a voters pamphlet on the charter issue. If yes, individuals will be selected to write the pro and con statements for the pamphlet.

Mr. Creighton spoke in favor of publishing a voters pamphlet.

- ➡ Deputy Mayor Degginger moved to approve the publication of a voters pamphlet on the charter issue, and Mr. Mosher seconded the motion.
- ➡ The motion to approve the publication of a voters pamphlet on the charter issue carried by a vote of 6-0.

Responding to Dr. Davidson, Mr. Andrews advised Councilmembers that this election will be like any other election. The Public Disclosure Act prohibits the use of public facilities to support or oppose a ballot proposition. However, Councilmembers are free as individuals to participate in the election in any way that does not involve the use of public facilities or resources. Public disclosure law allows the Council to take an official position on the issue following proper notice and the opportunity for public comment. Councilmembers may also communicate individual positions to the press, if desired.

- ➡ Deputy Mayor Degginger moved to direct staff to publish notices requesting applications for two citizen committees to write arguments for and against the ballot propositions for inclusion in the voters pamphlet. Mr. Creighton seconded the motion.
- ➡ The motion to direct staff to publish notices requesting applications for two citizen committees to write arguments for and against the ballot propositions for inclusion in the voters pamphlet carried by a vote of 6-0.

Ms. Basich said Council will be asked to appoint the pro and con statement committees on March 10.

Mayor Marshall noted an approximate cost of \$200,000 for the first election.

Dr. Davidson expressed concern about how potential freeholders will learn about the charter election process. Ms. Basich said she can provide general information about the process to candidates. Mayor Marshall noted that City Council candidates are not assisted by City staff, however.

- (c) Resolution No. 6819 authorizing the execution of a professional services contract with Advanced Utility Systems Corporation in an amount not to exceed \$33,000 for the start-up phase to define deliverables and develop a final price quote for the Customer Information System (CIS) replacement project.  
*(Council was briefed on this topic during the February 18 Study Session.)*

Mr. Sarkozy recalled staff's presentation to Council on February 18 regarding the Utilities Customer Information System (CIS) replacement project.

Utilities Assistant Director Nav Ota reminded Council that separate contracts have been developed for the Start-up Phase and remaining phases.

☛ Deputy Mayor Degginger moved to approve Resolution No. 6819, and Mr. Mosher seconded the motion.

☛ The motion to approve Resolution No. 6819 carried by a vote of 6-0.

(d) Conversion of Medic 3 from a EMT-P Unit to a Two-Paramedic Unit  
(*Council action is scheduled for March 3.*)

Mr. Sarkozy introduced discussion about a proposal to convert staffing for the Medic 3 unit (North Bend) from one emergency medical technician (EMT) and one paramedic to staffing by two paramedics.

Fire Chief Peter Lucarelli recalled Council's previous action regarding Medic 14 and compared it to the current proposal. In the case of Medic 14, a 12-hour medic unit was established using overtime funds to provide two medics during the day only. This was the most cost-effective approach for a half-time unit. Council then approved designating Medic 14 as a 24-hour unit and the hiring of full-time personnel.

Chief Lucarelli provided background information on the current proposal regarding Medic 3. In 1992, the City entered into an Interlocal Agreement with King County to implement a staffing model that would enhance advanced life support (ALS) services in rural county areas. Pursuant to the agreement, Medic 3 was established with one EMT and one paramedic. A full-time, two-paramedic unit is now needed to service the area.

Chief Lucarelli said Bellevue Fire Department and King County continually monitor overall emergency medical services including patient care, performance outcomes, call volumes, response times, unit location, and response areas. An analysis of these factors indicated the need for enhancing the service level provided by Medic 3. Chief Lucarelli explained that the King County EMS Strategic Plan calls for an upgrade of all EMT-P units to full-time medic units. The King County Council approved funding for the conversion of units in 2003, and Eastside Fire and Rescue has agreed to contribute funding to assist in the conversion. Costs associated with the change will not affect Bellevue taxpayers.

Chief Lucarelli said the Medic 3 proposal will improve the quality of care available at an emergency scene, improve response times system-wide, and reduce the need to send medic units from Bellevue as backup ALS response. If Council approves the proposal, the 2003-2004 budget must be amended to increase the budget and add 4.32 full-time employees (FTEs). Enhanced operations will go into effect on July 1, 2003.

Responding to Dr. Davidson, Chief Lucarelli said King County will provide funds to implement the Medic 3 proposal.

Noting his experience with emergency medical services, Mr. Creighton expressed strong support for the proposal. Mr. Mosher thanked Chief Lucarelli for his work and for bringing the proposal to Council.

Mayor Marshall confirmed Council support for the Medic 3 proposal, which Chief Lucarelli will communicate to the King County Council.

(e) 2002 Budget Performance/2003 Budget Outlook

Acting Finance Director Brad Miyake noted packet materials beginning on page 3-17 including the 2002 Year-End Budget Monitoring Report. Staff will continue to provide monthly rather than quarterly updates due to the current slowed economy.

Reviewing 2002 budget performance, Mr. Miyake said all city funds completed the year within budget. Due to expenditure reductions, \$1.9 million in the General Fund was carried forward from 2002 into 2003. Approximately \$200,000 in planned 2002 expenditures were delayed to 2003. In the General Capital Investment Program (CIP) Plan, many projects were started and completed including Meydenbauer Bridge and Coal Creek Parkway. Development Services revenues and expenditures were lower than anticipated and experienced significant budget reductions in 2002.

Jonathan Swift, Senior Budget Analyst, reviewed the 2003 budget outlook. He noted consumer confidence is at a nine-year low due to uncertainty about the Middle East situation. The General Fund is cushioned by a higher than anticipated beginning fund balance, however, and staff will continue to monitor the economy on an ongoing basis.

Mr. Sarkozy emphasized that the \$1.9 million available in the General Fund is the result of responsible management and aggressive actions to reduce expenditures.

Mayor Marshall praised the leadership of city management staff and noted Council's commitment to avoiding tax increases. She thanked Finance Department staff for their excellent work throughout the budget process and continued monitoring.

(f) Regional Issues

Diane Carlson, Intergovernmental Relations Director, recalled that King County Executive Ron Sims provided notice on February 14 regarding the termination of district court services to cities beyond 2004. City staff have been working with other cities for the past year to develop and study alternatives. Ms. Carlson referred to page 9 of the Regional Issues packet for a summary of options under consideration.

Jocelyn Mathiasen, Assistant to the City Manager, reviewed the following municipal court options:

1. City of Bellevue Municipal Court – The advantages of this option are the City's full control over service, quality, location, and management. However, this appears to be a higher cost option than the City's existing contractual relationship with King County and represents a major initiative at a time when the City is dealing with several other large projects including the newly purchased public safety building and implementation of the new Finance/Human Resources information system.

2. Bellevue as Municipal Department of King County District Court – All facilities, equipment, and personnel would be funded by the City. This option would likely require less effort to implement and could involve the use of the County’s existing court facility. The disadvantage is the City would not have control over management of the operations. It is unknown whether the County would be interested in such an arrangement. If so, the County would first need to adopt a districting plan that incorporates a municipal department.
3. Bellevue Municipal Court providing contracted services to other cities – Similar to option 1, but the City would provide court services to other cities by contract. While this option could result in cost savings and efficiencies, the implementation of such an alternative is potentially complex. The City is currently advocating state legislation to clarify the issue of whether a City is allowed to provide such services to other cities.
4. Bellevue contracts with another city for court services – Ms. Mathiasen noted that Bellevue’s case load is larger than the prospective cities so it is unlikely the workload could be absorbed. This option has the same legal uncertainty as option 3.
5. Regional Municipal Court – This option provides the potential for cost savings and efficiencies but represents increased complexity, a lack of flexibility, and the legal uncertainty noted for options 3 and 4.

Ms. Mathiasen said a final decision by the City is needed by September in order to properly plan and implement a municipal court solution.

Responding to Dr. Davidson, Ms. Carlson said all 26 District Court judges were elected last year so their terms will not expire until the end of 2006. A reduction in the number of judges requires a change in state law. A bill has been introduced to reduce the number to 23.

Responding to Mayor Marshall, Ms. Carlson said Bellevue citizens pay approximately \$42 million in taxes annually to King County. Mrs. Marshall asked whether King County will be refunding money to Bellevue and other cities once court services are no longer provided. She is concerned that citizens are not getting their money’s worth as the County continues to collect revenues but eliminate services in many areas including jails, courts, human services, and parks.

Moving on, Ms. Carlson referenced page 10 for a report on the King County Budget Advisory Task Force. The task force was created to examine the County’s Current Expense (CX) Fund programs, processes, and budgets and to recommend operational and financial changes for 2004 and beyond. The group was established in November 2002 and will complete its work in June 2003. Preliminary observations include a recognition of the urban subsidy. The task force acknowledges that funds to provide services in unincorporated areas are approximately \$41 million higher than the revenues received from these areas. The Task Force is interested in strategies to promote annexations as well as the potential for the County to contract with cities for services in unincorporated areas. The Task Force feels the County should provide a broad range of services including parks and human services and that fees for services should fully cover the costs.

Ms. Carlson displayed and described pie charts of the County budget and its components. She reviewed a table titled, “Bellevue Revenue to King County.” The total contribution from

Bellevue was \$42.5 million in 2001. Ms. Carlson said the County's approach to its budget crisis is to segregate and analyze individual functions including parks, human services, jails, and courts. Cities are being asked to accept responsibility for functions formerly provided by King County.

Ms. Carlson reviewed the next steps on this issue. Staff will provide more detailed information on County revenues for Council, as requested by Deputy Mayor Degginger. In addition, the next report will address the range of service options under consideration by the task force. Cities are working together to develop a position paper for the task force outlining priorities including the urban subsidy, annexation, and regional service delivery. A draft will be discussed with Council in the next few weeks.

Responding to Dr. Davidson, Ms. Carlson said the task force has received information from King County staff and will be inviting cities to comment. The position paper is intended to communicate municipal issues and priorities as well.

Mayor Marshall suggested Council send a letter to the task force, as it did to the Metropolitan Parks Task Force. She would like to encourage King County to take a holistic approach to examining its budget.

Dr. Davidson expressed frustration with King County's attempts to transfer responsibility for programs and services to local governments while seemingly forgetting that both are serving the same taxpaying citizens.

Mr. Lee is concerned about the process and noted previous unsuccessful attempts to address regional governance and finance issues.

Mr. Sarkozy commented on the difference in perspectives between King County and cities. The County views its role as a municipal service provider for the unincorporated areas as well as a service provider for certain countywide services. Mr. Sarkozy acknowledged that the urban subsidy issue is a difficult one in terms of the philosophical difference between King County and cities. He feels the current budget review provides the opportunity to represent taxpayers who are not receiving benefits from taxes paid to King County.

Mr. Mosher encouraged a focus on annexation as a way to enhance service levels in unincorporated county areas.

Deputy Mayor Degginger expressed support for the Budget Advisory Task Force membership. However, he is concerned that the group's mission to examine the CX Fund is too narrow in scope. He feels the County's overall budget and service mission should be studied and reevaluated.

Mr. Creighton, who served two years on a previous regional governance and finance committee, shares Council's frustration with King County's service reductions and the urban subsidy. He feels the County is not fulfilling its responsibilities as a regional service provider for jails, courts, parks, and human services.



Ms. Carlson said King County is pursuing the authority to implement an unincorporated area utility tax, which could be used to pay for services in these areas. Mr. Sarkozy noted the County would then redirect current urban subsidy funds to other purposes.

Moving to an update on the Metropolitan Parks Task Force, Ms. Carlson said a recommendation was submitted to the County Executive to pursue a 5.5 cent levy (per \$1,000 assessed valuation) for regional parks operations and maintenance. The County Executive forwarded his recommendation to the King County Council for a 5 cent levy, which will generate approximately \$11.8 million annually.

Terry Higashiyama, Parks Assistant Director, attended all task force meetings. She said cities are concerned about the proposed levy because none of the revenue will be returned to cities. Several cities have accepted the transfer of former county parks and pools without receiving any compensation for providing this relief.

Mayor Marshall noted the levy represents another example of the urban subsidy to rural areas. Dr. Davidson is concerned about increasing taxes and escalating assessed valuation levels.

Mr. Creighton requested an update on the parking situation at Marymoor Park and the City's ownership of a portion of the park. Ms. Higashiyama said parking fees are currently on a donation basis. City staff members are renegotiating the parking contract with King County. The City is concerned about the number of large events to be held at the park and the impact on the availability of City fields for use by citizens.

At 7:58 p.m., Mayor Marshall declared a break. The meeting resumed at 8:04 p.m.

Turning to page 37, Ms. Carlson provided an update on federal legislation. The 2003 Omnibus Appropriations bill includes \$750,000 for I-90 improvements and \$2 million for I-405. Ms. Carlson noted revisions to the City's 2003 Federal Legislative Agenda (Page 41) to include two projects proposed for TEA-21 Reauthorization funding.

Referring to the Lake Tapps water supply issue on page 43, Ms. Carlson said Bellevue's congressional delegation is encouraging the U.S. Corps of Engineers to pursue a preferred solution that will save the Corps approximately \$30 million to resolve the White River fish passage. She will revise this item to incorporate language consistent with the position of Cascade Water Alliance. Mayor Marshall asked all Cascade member cities to add this priority to their legislative agendas as well.

Ms. Carlson said the 2003 Federal Legislative Agenda will be presented for Council approval on the March 3 Consent Calendar.

Ms. Carlson referenced Attachment 5 on page 50 of the Regional Issues packet and explained that U.S. Representative Jennifer Dunn asked the City to provide a list of urgently recommended TEA-21 Reauthorization projects. The two projects proposed for funding are improvements to

NE 2<sup>nd</sup> and NE 10<sup>th</sup> Streets as part of the Access Downtown/I-405 project and a study to address NE 10<sup>th</sup> Street and Overlake Hospital area transportation efficiency and development patterns.

Mayor Marshall suggested coordinating a letter with Overlake Hospital to demonstrate joint support for the project. Ms. Carlson concurred and said letters of support have been submitted by Bellevue Chamber of Commerce and Washington State Department of Transportation as well.

Ms. Carlson noted that two Councilmembers will attend the National League of Cities (NLC) conference in Washington, D.C., in early March.

Moving to the state legislative update, Ms. Carlson said the first deadline for bills to move out of committees in their house of origin is March 5. Cities continue to oppose business and occupations (B&O) tax legislation to become effective in 2008 because of the financial impacts. Councilmember Mosher has been working on this issue through the Association of Washington Cities (AWC) and will testify before the state legislature if necessary.

Ms. Carlson said the tax increment financing bill (HB 1281/SB 5364) is moving through the committees. The open public meetings act (SB 5151) has not yet moved out of committee. The annexation reform bill (HB 1231) was passed by the House last week and is expected to move quickly through the Senate.

At 8:26 p.m., Mayor Marshall declared the meeting adjourned.

Myrna L. Basich  
City Clerk

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